

ESTIMATED REVENUE EFFECTS OF DIVISION H. OF H.R. 4,
 THE "ENERGY TAX INCENTIVES ACT OF 2002,"
 AND CERTAIN MANDATES, AS AMENDED BY THE SENATE

Fiscal Years 2002 - 2012

[Millions of Dollars]

Provision	Effective	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2002-07	2002-12
Division H. of H.R. 4, as Amended by the Senate														
Extension and Modification of Renewable Electricity														
Production Tax Credit - Extend (property placed in service before 1/1/07 (1/1/05 in the case of open-loop)) and modify the section 45 credit for producing renewable electricity from certain sources	esfqfa DOE	-19	-94	-172	-240	-258	-266	-267	-258	-254	-247	-212	-1,050	-2,287
Alternative Motor Vehicles and Fuel Incentives														
1. Credits and deduction for purchase of alternative motor vehicles and modifications to credit for electric vehicles (deduction for property placed in service before 1/1/08 (1/1/12 in the case of hydrogen fuel); credit for alternative vehicles purchased before 1/1/07 (1/1/12 in the case of hydrogen))	ppisa 9/30/02	---	-36	-164	-282	-323	-202	23	21	14	6	2	-1,006	-940
2. Credits and deduction for installation of alternative fueling stations (deduction for property placed in service before 1/1/08 (1/1/12 in the case of hydrogen fuel; credit for property placed in service before 1/1/07 (1/1/12 in the case of hydrogen))	ppisa 9/30/02 & DOE	---	-2	-60	-78	-72	-67	28	59	38	24	12	-278	-117
3. Credit for retail sale of alternative fuels (30 cents/gallon in 2002 and 2003, 40 cents in 2004, and 50 cents in 2005 through 2006)	10/1/02	---	-52	-100	-169	-215	-90	-1	-1	-1	-1	[1]	-627	-632
4. Modifications to small producer ethanol credit	tyba DOE	---	-16	-34	-34	-34	-34	-18	[1]	[1]	[1]	---	-152	-171
5. Transfer full amount of excise tax imposed on gasoline to the Highway Trust Fund	10/1/03	----- No Revenue Effect -----												
6. Modify income tax and excise tax rules governing treatment of ETBE	DOE	----- Negligible Revenue Effect -----												
7. Tax incentives for biodiesel (sunset 12/31/05) [2]	1/1/03	---	-11	-21	-29	-9	---	---	---	---	---	---	-70	-70
8. Credit for taxpayers owning commercial power takeoff vehicles (sunset 12/31/04)	tyba DOE	[1]	-22	-34	-12	---	---	---	---	---	---	---	-68	-68
Total of Alternative Motor Vehicles and Fuel Incentives		[1]	-139	-413	-604	-653	-393	32	79	51	29	14	-2,201	-1,998
Conservation and Energy Efficiency Provisions														
1. Business credit for construction of new energy efficient homes	ppb DOE & 12/31/2007	-8	-17	-19	-16	-15	-16	-9	-3	[1]	---	---	-91	-106

Provision	Effective	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2002-07	2002-12
2. Credit for energy efficient appliances	apb 1/1/03 & 12/31/06 [3]	---	-19	-31	-33	-65	-50	-28	-13	-2	---	---	-198	-241
3. Credit for residential fuel cell, solar, and other energy efficient property	ppb 1/1/03 & 12/31/07	---	-34	-129	-89	-86	-75	-57	---	---	---	---	-413	-470
4. Business tax incentives for qualifying fuel cells and microturbine plants	ppisb 1/1/03 & 12/31/07	---	-4	-10	-17	-24	-15	-7	-3	-1	1	1	-71	-82
5. Allowance of deduction for certain energy efficient commercial building property	10/1/02 for pcpt 1/1/08 & ccb 1/1/10	---	-60	-61	-63	-64	-65	-65	-23	---	---	---	-313	-401
6. Allowance of deduction for new and retrofitted energy management devices; three-year applicable recovery period for depreciation of qualified new energy management devices:														
a. Gas and electric devices	ppisa DOE	-9	-13	-14	-23	-26	-25	-22	-19	-17	-16	-16	-109	-201
b. Water submetering devices (sunset for property placed in service after 12/31/07)	ppisa DOE	-2	-5	-7	-12	-18	-26	-15	4	11	13	9	-71	-48
7. Energy credit for combined heat and power system property	episb 1/1/03 & 12/31/06	---	-34	-65	-73	-77	-52	-26	-15	-7	-1	---	-301	-350
8. Credit for energy efficiency improvements to existing homes	iib DOE & 12/31/06	---	-89	-117	-128	-111	-38	-10	---	---	---	---	-483	-494
Total of Conservation and Energy Efficiency Provisions		-19	-275	-453	-454	-486	-362	-239	-72	-16	-3	-6	-2,050	-2,393
Clean Coal Incentives - Investment and Production Credits for Clean Coal Technology														
1. Credit for production from qualifying clean coal technology units	pa DOE	---	-2	-33	-61	-73	-84	-91	-94	-97	-99	-101	-253	-733
2. Credit for investment in qualifying advanced clean coal technology (for property placed in service after the date of enactment and before 1/1/17 (1/1/13 in the case of advanced pulverized coal or atmospheric fluidized bed)	ppisa DOE	---	-1	-22	-54	-56	-47	-31	-77	-62	-26	-17	-180	-394
3. Credit for production of electricity from qualifying advanced clean coal technology units	pa DOE	---	[1]	-5	-19	-42	-63	-80	-104	-136	-158	-171	-129	-780
Total of Clean Coal Incentives - Investment and Production Credit for Clean Coal Technology		---	-3	-60	-134	-171	-194	-202	-275	-295	-283	-289	-562	-1,907
Oil and Gas Provisions														
1. Credit for marginal domestic oil and natural gas well production	DOE	----- <i>No Revenue Effect</i> -----												
2. Natural gas gathering pipelines treated as 7-year property	ppisa DOE	-1	-4	-5	-6	-7	-8	-9	-11	-11	-12	-13	-31	-87
3. Expensing of capital costs incurred and credit for production in complying with Environmental Protection Agency sulfur regulations for small refiners	epoia DOE	---	---	---	---	-8	-16	-29	-46	-12	8	6	-24	-97
4. Determination of small refiner exception to oil depletion deduction - modify definition of independent refiner from daily maximum run less than 50,000 barrels to average daily run less than 60,000 barrels	tyba 12/31/02	---	-4	-7	-7	-7	-7	-7	-8	-8	-8	-8	-32	-71

Provision	Effective	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2002-07	2002-12
5. Extension of suspension of 100% of taxable income limit with respect to marginal production (through 12/31/06)	tyba 12/31/01	---	---	-25	-40	-42	-15	---	---	---	---	---	-123	-123
6. Election to amortize geological and geophysical expenditures over 2 years (no transition rule)	cpoi tyba 12/31/02	---	291	205	-73	-154	-146	-146	-155	-161	-165	-170	122	-675
7. Election to amortize delay rental payments over 2 years (no transition rule)	apoi tyba 12/31/02	---	107	44	-82	-116	-116	-55	-86	-121	-123	-124	-162	-672
8. Extension and modification of section 29 credit for facilities placed in service after the date of enactment and before 1/1/05 (1/1/07 in the case of refined coal), including viscous oil, coalmine methane, agricultural and animal waste, and refined coal; extension and modification of section 29 credit for certain coal gasification production through 12/31/04; study of coal bed methane [4]	DOE	-32	-232	-467	-537	-390	-167	-36	-8	-5	-1	---	-1,825	-1,875
9. Natural gas distribution lines treated as 15-year property	ppisa DOE	-6	-23	-46	-67	-90	-114	-136	-159	-184	-210	-237	-345	-1,271
Total of Oil and Gas Provisions		-39	135	-301	-812	-814	-589	-418	-473	-502	-511	-546	-2,420	-4,871
Electric Utility Restructuring Provisions														
1. Ongoing study and reports with regard to tax issues resulting from future restructuring decisions	DOE	----- <i>No Revenue Effect</i> -----												
2. Modification to special rules for nuclear decommissioning costs - eliminate cost of service requirement and clarify treatment of fund transfers	tyba 2002	---	-18	-46	-56	-75	-99	-131	-143	-152	-161	-171	-294	-1,052
3. Treatment of certain income of electric cooperatives	tyba DOE	-6	-13	-16	-19	-21	-23	-25	-27	-29	-32	-35	-97	-245
4. Sales or dispositions to implement Federal Energy Regulatory Commission or State electric restructuring policy	ta DOE	-272	-650	-1,055	-1,158	-886	299	879	894	856	741	537	-3,723	184
5. Apply temporary regulations to certain output contracts	DOE	----- <i>Negligible Revenue Effect</i> -----												
6. Treatment of certain development income of cooperatives - exempt receipts for the construction of line extensions to encourage development of nonconventional fuel sources, which qualify for a credit under section 29, from the 85/15 income test for 501(c)(12) cooperatives	tyba DOE	-10	-91	-178	-207	-153	-71	-15	---	---	---	---	-711	-726
Total of Electric Utility Restructuring Provisions		-288	-772	-1,295	-1,440	-1,135	106	708	724	675	548	331	-4,825	-1,839
Additional Provisions														
1. Extension of accelerated depreciation and wage credit benefits for businesses on Indian reservations (through 12/31/05)	DOE	---	---	4	-168	-301	-116	21	79	125	102	55	-581	-199
2. Study of effectiveness of certain provisions by GAO	DOE	----- <i>No Revenue Effect</i> -----												
3. Credit for Alaskan North Slope natural gas	[5]	----- <i>No Revenue Effect</i> -----												
4. Sale of gasoline and diesel fuel at duty-free sales enterprises	DOE	[6]	1	1	1	1	1	1	1	1	1	1	5	9
5. Nonrecognition of gain on dairy property dispositions under bovine tuberculosis eradication program	tyea 5/22/01	----- <i>Negligible Revenue Effect</i> -----												

Provision	Effective	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2002-07	2002-12
6. Clarify excise tax exemptions for agricultural aerial applicators and broader exemption for air transportation tax to include fixed-wing aircraft used in forestry (sunset 12/31/02)	1/1/02	-3	-2	---	---	---	---	---	---	---	---	---	-5	-5
7. Expand the definition of rural airports exempt from the tax imposed on each segment of a flight	cyba 2002	---	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-6	-13
8. Exempt transportation by seaplane from ticket taxes	cyba 2002	---	-1	-1	-1	-1	-2	-2	-2	-2	-2	-2	-7	-17
Total of Additional Provisions		-3	-3	3	-169	-302	-118	19	77	123	100	53	-594	-225
Total of Division H. of H.R. 4, as Amended by the Senate		-368	-1,151	-2,691	-3,853	-3,819	-1,816	-367	-198	-218	-367	-655	-13,702	-15,520
Certain Mandates Affecting Tax Receipts														
1. Renewable Portfolio Standard	DOE	---	---	---	---	-20	-40	-50	-54	-55	-56	-57	-60	-331
2. Renewable Fuels Mandate - require that motor fuel contain certain specific amounts of renewable fuel	DOE	---	-42	-101	-185	-291	-396	-495	-622	-754	-881	-1,008	-1,016	-4,777
Total of Certain Mandates Affecting Tax Receipts		---	-42	-101	-185	-311	-436	-545	-676	-809	-937	-1,065	-1,076	-5,108
NET TOTAL		-368	-1,193	-2,792	-4,038	-4,130	-2,252	-912	-874	-1,027	-1,304	-1,720	-14,778	-20,628

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding.

Legend for "Effective" column:

apoi = amounts paid or incurred in
 apb = appliances produced between
 ccb = construction completed before
 cpoi = costs paid or incurred in
 cyba = calendar years beginning after
 DOE = date of enactment

episb = equipment placed in service between
 epoia = expenses paid or incurred after
 esqfa = electricity sold from qualifying facilities after
 iib = improvements installed between
 pa = production after
 pcpt = plans certified prior to

ppb = property purchased between
 ppisa = property placed in service after
 ppisb = property placed in service between
 ta = transactions after
 tyba = taxable years beginning after
 tyea = taxable years ending after

[1] Loss of less than \$500,000.

[2] This provision may also have indirect effects on Federal outlays for certain farm programs. Outlay effects will be estimated by the Congressional Budget Office.

[3] Effective for property produced before January 1, 2005, in the case of refrigerators that only meet the 10-percent credit standard.

[4] Qualified facilities would be given credit for three years of production (five years in the case of refined coal).

[5] Effective the later of January 1, 2010, or the initial date for the interstate transportation of eligible Alaska natural gas.

[6] Gain of less than \$500,000.